

Message Text

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ACTION SS-30

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R 111310Z FEB 74

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 6138

INFO USINT ALGIERS

AMEMBASSY BONN

USMISSION EC BRUSSELS

AMEMBASSY CARACAS

AMCONSUL DHAHRAN

AMEMBASSY JAKARTA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

LEFNPS/AMEMBASSY PARIS 941

USMISSION OECD PARIS

AMEMBASSY ROME

AMEMBASSY ISLAMABAD

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

S E C R E T JIDDA 692

EXDIS

KUWAIT PASS DOHA

E.O. 11652: GDS

TAGS: ENRG, SA

SUBJECT: SAUDI PETROLEUM MINISTER'S POSITION
ON THE CONSUMERS' CONFERENCE AND
SUBSEQUENT CONSUMER-PRODUCER MEETINGS

REF: A) JIDDA 685; B) JIDDA 553; C) STATE 22597; D) JIDDA 633

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1. SUMMARY: SAUDI PETROLEUM MINISTER YAMANI

DENIES HE WARNED JAPANESE NOT TO ATTEND THE
WASHINGTON CONSUMERS' CONFERENCE. HE "ONLY"

SAID THAT IF THE CONFERENCE TURNED INTO A CONFRONTATION WITH THE PRODUCERS, ALL COUNTRIES, ESPECIALLY JAPAN, WOULD SUFFER. YAMANI PROPOSES A SMALL INFORMAL MEETING OF SELECTED CONSUMERS AND PRODUCERS TO WORK OUT DETAILS OF AN ENERGY-FINANCE AGREEMENT PRIOR TO THE MAIN CONSUMER-PRODUCER CONFERENCE PROPOSED BY SECRETARY KISSINGER. END SUMMARY.

1. AHMED ZAKI YAMANI, SAUDI MINISTER OF PETROLEUM, COMPLAINED TO ME TODAY IN RIYADH (FEB 10) ABOUT MY DEMARCHE TO THE SAUDI GOVERNMENT ON HIS STATEMENT IN JAPAN (REF D). I SAID THAT WE WERE ANNOYED THAT HE URGED THE JAPANESE NOT TO ATTEND THE CONSUMERS' CONFERENCE.

2. HE REPLIED THAT HE HAD NOT DONE SO; HE WOULD NOT BE SO FOOLISH AS TO TRY TO SPLIT TWO SUPERPOWERS. IF WE WOULD LOOK AT THE RECORD, HE SAID, WE WOULD FIND THAT WHAT HE HAD SAID WAS "ONLY" THAT HE FEARED THE WASHINGTON CONFERENCE MIGHT TURN INTO A U.S. DEMAND FOR A CONSUMER-PRODUCER CONFRONTATION. IF IT DID, ALL COUNTRIES, PARTICULARLY JAPAN, WOULD BE HURT. IF IT DIDN'T, THEN FINE.

3. I TOLD HIM I WAS SURE CONFRONTATION WAS NOT THE INTENTION OF THE WASHINGTON CONFERENCE. HE SAID HE KNEW MY VIEWS ON THE SUBJECT VERY WELL, HAVING HEARD THEM IN PERSON AND HAVING READ THEM, BUT HE ASKED ME IF I KNEW EXACTLY WHAT WAS GOING TO HAPPEN IN WASHINGTON. I TOLD HIM I DID NOT. HE SAID HE HAD COPIES OF THE AGENDA AND OTHER REPORTS ON THE CONFERENCE GIVEN TO HIM BY THE EUROPEANS AND HE WOULD BE VERY HAPPY TO SEND ME COPIES. I THANKED HIM. (REF A).

4. HE SAID HE WAS PREPARED TO ACCEPT MY ASSURANCES THAT WE WERE NOT PREPARING A CONFRONTATION, BUT HE
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WASN'T SURE THAT OTHER CONSUMERS OR ANY OF THE PRODUCERS BELIEVED THIS. IN FACT, BOUMEDIENE HAD TOLD HIM THAT ALGERIA, WOULD NEVER, UNDER ANY CIRCUMSTANCES, ATTEND ANY CONFERENCE IN WASHINGTON RESULTING FROM THE FEBRUARY 11 CONSUMER MEETINGS.

5. I SAID THIS WAS SILLY. WHY NOT WAIT AND SEE WHAT COMES OUT OF WASHINGTON BEFORE REACTING SO HOSTILELY. IN ANY CASE, GOOD DIPLOMATS, OR HEADS OF STATE NEVER SAY "NEVER."

6. HE THEN SAID HE WOULD LIKE TO ADVANCE AN IDEA OF HIS OWN: WHY COULDN'T A VERY SMALL GROUP OF ONE OR

TWO MEN EACH FROM THE U.S., THE EEC AND JAPAN (REPRESENTING THE CONSUMERS), AND FROM SAUDI ARABIA, IRAN AND ALGERIA (REPRESENTING THE PRODUCERS), LOCK THEMSELVES UP IN A HOTEL ON THE TOP OF A MOUNTAIN AND NOT EMERGE UNTIL THEY HAD DRAFTED AN AGENDA FOR TALKS OR EVEN FOR A PLAN ON HOW ENERGY AND FINANCE RELATED TO ENERGY ARE TO BE HANDLED IN THE NEXT TEN YEARS? OTHER PRODUCERS AND CONSUMERS COULD THEN BE BROUGHT IN TO DISCUSS DETAILS IN A LARGER PRODUCER-CONSUMER CONFERENCE, AS PROPOSED BY SECRETARY KISSINGER.

7. HE SAID THIS SHOULD BE DONE VERY QUIETLY, WITH NO FANFARE, ALTHOUGH HE ADMITTED IT PROBABLY COULDN'T BE KEPT SECRET: BUT, HE SAID, IF YOU DON'T CROW ABOUT VICTORIES IN ADVANCE YOU COULD LEAVE THE MEETING WITHOUT A FULLY ACCEPTABLE PLAN AND NO ONE WOULD LOSE FACE.

8. I SAID I FEARED THAT THE PETRIFIED INTERNATIONAL BUREAUCRATS WOULD BE HORRIFIED BY THE SUGGESTION. NONETHELESS, I WOULD SEND IT IN TO WASHINGTON AS AN "INFORMAL" IDEA WITHOUT STATUS, EVEN IN SAUDI ARABIA. I SAID I WOULD SUGGEST ADDING PAKISTAN OR INDIA TO REPRESENT NON-INDUSTRIALIZED CONSUMERS. HE SAID THAT WOULD BE PROPER.

9. ACTION REQUESTED:

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J THAT I BE AUTHORIZED TO TELL YAMANI THAT WE THINK HIS IDEA HAS GREAT MERIT AND AM INSTRUCTED TO DISCUSS DETAILS WITH HIM;

B. AS IT IS NOW TOO LATE FOR ME TO DO ANY WORK WITH THE SAUDIS PRIOR TO THE WASHINGTON MEETING, I REQUEST THAT I BE GIVEN THE MINUTES OF THE MEETINGS AND BE AUTHORIZED TO DISCUSS THEM WITH THE SAUDIS. THE SAUDIS WILL BE GIVEN A FULL BRIEFING BY THE FRENCH AMBASSADOR HERE, AND I WOULD PREFER NOT TO HAVE THE ACCOUNT OF THE CONSUMERS' CONFERENCE FILTERED THROUGH THE FRENCH.
AKINS

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<< END OF DOCUMENT >>

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To: STATE INFO ALGIERS
BONN
EC BRUSSELS
CARACAS
DHAHRAN
JAKARTA

SUBSEQUENT CONSUMER-PRODUCER

KUWAIT
LAGOS
LONDON
NEW DELHI
LEFNPS PARIS
OECD PARIS
ROME
ISLAMABAD
TEHRAN
TOKYO
TRIPOLI
VIENNA
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